



OFFICE OF INSPECTOR GENERAL

**Semiannual Report to Congress
October 1, 1999 - March 31, 2000**

**Federal Election Commission
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EXECUTIVE SUMMARY

This report is submitted pursuant to the Inspector General Act of 1978, as amended, and includes a summary of the Office of Inspector General's (OIG) activities for the period October 1, 1999 through March 31, 2000.

During this reporting period, follow-up work was conducted on three audits and two audits were initiated. The first audit entitled, ***Procurement Operations***, is being conducted to determine whether the FEC has an effective and efficient procurement system in place and whether the procurement system complies with statutory and regulatory requirements applicable to the FEC. The second audit entitled, ***Agency Controls Governing the Process for Procurement of Vendor Training Services***, is assessing the adequacy of FEC's control procedures for acquiring outside vendor training and to assess the economy, efficiency and effectiveness of the management process currently in place to acquire vendor administered training. The audits and follow-up work are summarized below:

Audit of Procurement Operations - OIG-00-03, is currently in progress. The primary objectives of this audit are to 1) determine whether the Commission has an efficient and effective procurement system in place; and 2) determine whether the Commission's procurement process complies with statutory and regulatory

requirements. The OIG intends to determine whether the Commission has implemented the key acquisition reforms contained in the Federal Acquisition Streamlining Act (FASA) of 1994. The audit will involve steps such as interviews and review of records in order to achieve the audit objectives. It is anticipated that this report will be released during the next reporting period. Further details concerning this audit are discussed in the **Audit** section of this report.

Audit of Controls Governing the Process for Procurement of Vendor Training Services - OIG-00-01, is also in progress. The field work has been completed and the draft report is being finalized. The primary objective of this audit is to assess economy, efficiency, and effectiveness of management controls governing the procurement of training services obtained from outside vendors. The audit has included interviewing agency staff, analyzing training records and reviewing training related financial information. Additional information pertaining to this audit are discussed in the **Audit** section.

Follow-up work on the Audit of the Commission's Management of Computer Software - OIG-98-05, was conducted during this reporting period. The original audit was released March 1999, with initial follow-up work completed during the last reporting period. The primary objectives of the audit were to 1) verify that the Commission's

computer software is in compliance with applicable copyright laws and Commission policies and procedures; 2) determine that adequate policies and procedures are in place to prevent unauthorized software use by Commission employees; and 3) ensure that adequate controls are in place to detect and prevent computer viruses. One finding and three audit recommendations were contained in the original report. One recommendation was closed during the initial follow-up work.

The follow-up work consisted of numerous meetings, the inspection of documents and the review of records in order to determine whether corrective action had been taken to resolve the remaining recommendations. Based on our review of documents, and correspondence with the Data Systems Development Division (DSDD) staff, we found that DSDD has resolved the two remaining audit recommendations. Details of the follow-up work are discussed in the ***Audit Follow-up*** section of this report.

Follow-up work on the Audit of the Management of Desktop and Laptop Computers (Computer Inventory) - OIG-97-03, was completed during this reporting period. The audit was originally released in January 1998, with initial follow-up work conducted during the prior six months. The primary objectives of the audit were to 1) identify and evaluate the adequacy of internal controls over desktop

and laptop computers; and 2) evaluate the procedures in place to ensure that computer equipment having an acquisition cost over \$5,000 is capitalized and that there is documentation to support the unit cost of computers under \$5,000. Two recommendations were contained in the original report. The previous follow-up work reflected that while some progress had been made by DSDD, additional steps were needed to enable the OIG to close the recommendations.

During the follow-up work conducted this period, documents and computer equipment were inspected by the OIG. Several meetings were held with division staff to clarify outstanding issues. These steps were taken to determine whether or not corrective action had been completed to implement the outstanding audit recommendations. Based on our work, we concluded that the DSDD had satisfactorily implemented the two outstanding recommendations. The **Audit Follow-up** section contains further information concerning this report.

Follow-up work on the Audit of the Review of the Commission's Employee Appraisal Process - OIG-97-02, was conducted during the last six months. The original audit was released January 1998, with follow-up work being conducted over the prior two reporting periods. The primary objectives of the audit were to 1) determine whether the Commission's Employee Appraisal Process was in compliance with

applicable Federal regulations and Commission Personnel Instructions; and 2) determine whether the Commission's monetary incentive process is in compliance with applicable Federal regulations and Commission Personnel Instructions.

The original report contained four audit recommendations. The follow-up work conducted during the previous reporting periods revealed that only one recommendation had been implemented.

The follow-up work completed during this reporting period reflected the progress the Personnel Office has made in implementing two of the three remaining recommendations. Details concerning these issues are discussed in the ***Audit Follow-up*** section of this report.

The OIG also continued to monitor the Commission's progress in addressing its Y2K responsibilities. The primary objective of this effort was to keep the Commission informed of reported progress of the FEC's Y2K renovation project. The ability to deliver critical public services at the turn of the century was of extreme importance to the FEC. During an open session in November, the Chairman of the FEC asked the OIG to discuss the agency's progress in the renovation of its computer technology to be Y2K compliant. This was the second public session held on this issue. The Commissioners were particularly concerned about the degree of assurance

that the agency's Y2K project team could provide for ensuring that the computer systems and related technology were prepared for January 1, 2000. In addition, the Commission wanted to know how project management was ensuring that agency contractors and vendors, who report their products and services as Y2K compliant; were in fact, compliant. Details regarding the OIG's role in monitoring the FEC's Y2K progress is located in the **Audit** section of this report.

The OIG participated in a project in which we provided input on the redesign of the FEC's Web site. The primary purpose of the revamped Web site was to reorganize the material therein to offer the most efficient presentation of relevant and appropriate information to various audiences, including the general public, candidates, and the media.

Items available on the newly designed Web site include images of campaign finance reports from candidates for the United States House of Representatives, from Presidential campaigns, and from most other political committees. In addition, the FEC's Web site hosts the OIG's Web pages where we post copies of our audit reports and semiannual reports to Congress.

The OIG also reviewed and commented on a draft publication compiled by the Public Disclosure Division titled *Federal Campaign Finance*

Reports Online: A Guide to Using the FEC Web Site. The guide is intended to be used by state offices which participate in the State Waiver Program to assist users in the navigation of the Web site and retrieval of information.

Three cash counts of the Federal Election Commission's (FEC) imprest fund were performed during this reporting period. Additional information on these last three projects can be found in the ***Additional Office of the Inspector General Activity*** section of this report.

THE FEDERAL ELECTION COMMISSION

The Federal Election Commission (FEC) is an independent, regulatory agency responsible for administering and implementing the Federal Election Campaign Act (FECA). The FEC is composed of six Commissioners who are appointed for six year terms by the President of the United States, with the advice and consent of the Senate. The FECA likewise established the positions of Staff Director and General Counsel, who are appointed by the Commissioners.

OFFICE OF INSPECTOR GENERAL

The Federal Election Commission is one of the thirty-three designated agencies required to have an Inspector General under the 1988 amendments to the Inspector General Act of 1978 (P.L. 100-504).

The responsibilities of the Inspector General as stated in P.L. 100-504 are as follows:

- o conduct and supervise audits and investigations relating to the Federal Election Commission's programs and operations;

- o provide leadership, coordination, and to recommend policies for activities designed to promote economy, efficiency and effectiveness in the administration of Commission programs and operations. To prevent and detect fraud, waste and abuse in these programs and operations, and;
- o keep the Commissioners and Congress fully and currently informed about problems and deficiencies and the need for and progress of corrective actions.

The OIG staffing level for FY 2000 is 4 FTE. The staff consists of the Inspector General, the Special Assistant to the Inspector General and two Senior Auditors.

AUDITS

TITLE: ***Audit of Procurement Operations***

ASSIGNMENT #: **00-03**

RELEASE DATE: **In Progress**

PURPOSE: The primary objectives of this audit are to 1) determine whether the Commission has an efficient and effective procurement system in place; and 2) determine whether the Commission's procurement process complies with statutory and regulatory requirements.

The OIG has undertaken an audit of the Commission's procurement process for several reasons. First, the Commission's procurement activities have not been audited by the OIG since 1992 and changes in procedures, FEC staff, and acquisition regulations necessitate a review. In addition, the Administrative division reported the occurrence of unauthorized procurement actions in late 1999 which the OIG believes should be reviewed to determine the cause and provide solutions to prevent the reoccurrence. Lastly, a 1999 management review by an external audit firm, which was mandated by law, identified possible internal control weaknesses in the FEC's procurement system.

Audits (continued)

The OIG intends to determine whether the Commission has implemented the key acquisition reforms contained in the Federal Acquisition Streamlining Act (FASA) of 1994. FASA provided several important tools to improve the acquisition of goods and services in the Federal government. For example, FASA encouraged the increased use of purchase cards and simplified acquisition procedures to result in a less complex and faster purchasing process. The audit will also include a review of internal controls to ensure sound management practices are in place.

The audit will include interviews of Commission staff, review of procurement policies and procedures, examination of purchase documentation, and other audit steps necessary to achieve the audit objectives. The OIG anticipates the completion of the audit and release of the report during the next reporting period.

Audits (continued)

TITLE: ***Audit of Agency Controls Governing the Process for Procurement of Vendor Training Services***

ASSIGNMENT #: **00-01**

RELEASE DATE: **In Progress**

PURPOSE: The primary objective of this audit is to assess the economy, efficiency and effectiveness of the management controls governing the procurement of training services obtained from outside vendors.

The audit has included interviewing agency staff, analyzing training records and examining agency-wide records pertaining to the procurement of vendor training services. To obtain a perspective on the adequacy of management controls, we used OMB Directives and Federal regulations.

We have limited the scope of the audit to vendor training acquired through outside contractors for individual staff or groups. "In-house" training developed and administered by and for agency staff is not included. The field work has been completed and the report is in the draft stage. The final report will be released during the next reporting period.

Audits (continued)

TITLE: *Agency Year 2000 Renovations*

ASSIGNMENT #: **98-08**

RELEASE DATE: **May 1999**
(audit report)

PURPOSE: Issuance of our original audit report did not end
OIG involvement in the Y2K area. We continued to monitor the
Commission's progress in addressing its Y2K responsibilities. During an open
session in November, the Chairman of the FEC asked the OIG to discuss the
agency's progress in the renovation of its computer technology. Special
emphasis were placed on two priority areas: 1) systems that provide and
receive electronic data from outside parties; and 2) core business functions
that rely on computer processed data.

We also immediately followed up and tracked the agency's progress in
implementing the nine recommendations contained in the original audit
report. The OIG observed testing of the FEC FAXLINE System for Y2K
compliance and attended the FEC Y2K contingency planning meeting of
Division Directors. A meeting was held with the Y2K project team regarding
OIG review of FEC embedded chip technology for Y2K compliance. The OIG
also met with the FEC Contracting Officer regarding FEC computer service
contracts, subsequently analyzing documents for on-going Y2K evaluation.
In addition, we prepared an advisory memorandum analyzing the Data

Audits (continued)

Systems Development Division memorandum regarding agency-wide staff involvement in Y2K contracts.

The OIG continued to be active in this area throughout the duration of the project.

AUDIT FOLLOW-UP

TITLE: ***Audit of the Commission's Management of Computer Software***

ASSIGNMENT #: **98-05**

RELEASE DATE: **March 1999**
(audit report)

PURPOSE: The audit follow-up was conducted to determine whether corrective action had been taken by management to resolve the two audit recommendations contained in the audit report. The original audit report was released on March 31, 1999, with prior follow-up work completed during the previous reporting period.

The primary objectives of the audit were to 1) verify that Commission computer software was in compliance with applicable copyright laws and Commission policies and procedures; 2) determine that adequate policies and procedures were in place to prevent unauthorized software use by Commission employees; and 3) ensure that adequate controls were in place to detect and prevent computer viruses.

The original audit included a review of computer software programs installed on Commission computers to ensure that software complied with applicable software copyright laws and Commission policies and procedures. The OIG reviewed the Commission's policies and procedures related to

Audit Follow-up (continued)

computer software to determine whether adequate policies were in place to prevent unauthorized software use by employees. Lastly, a review of the Commission's anti-virus software system was performed to ensure adequate controls were in place to detect and prevent computer viruses.

The original audit report contained one audit finding that controls needed to be strengthened to ensure the Commission's computers are adequately protected against computer viruses. Two recommendations were directed to the Data Systems Development Division (DSDD) and one was directed to the Accounting Office.

During the last reporting period, the OIG conducted a follow-up of this audit. We found that the Accounting Office had implemented procedures to ensure that computers located in that office were adequately protected against computer viruses, subsequently closing that audit recommendation. The other two recommendations remained open.

In follow-up work conducted during this reporting period, the OIG concluded that the written guidelines issued by DSDD to Commission staff on procedures required to protect Commission computers from the potential

Audit Follow-up (continued)

damage and disruption caused by computer viruses were sufficient to close that recommendation.

The remaining recommendation dealt with ensuring that anti-virus software and the current virus data files are installed on all PCs and laptops. The OIG's follow-up work to determine whether the DSDD had adequately protected Commission computers involved the physical inspection of several randomly selected PCs and laptops. The OIG found that the DSDD had implemented the recommendations by installing anti-virus software on computers or by taking other protective measures to guard against computer viruses.

The OIG has concluded that DSDD accomplished the necessary steps to close all recommendations.

Audit Follow-up (continued)

TITLE: ***Audit of the Commission's Management of Desktop and Laptop Computers***

ASSIGNMENT # **97-03**

RELEASE DATE: **January 1998**
(audit report)

PURPOSE: The purpose of conducting this audit follow-up was to determine whether management had taken corrective action to resolve the two audit recommendations contained in the report. The original audit report was released on January 14, 1998, with initial follow-up work conducted in the prior six months.

The primary objectives of this audit were to 1) identify and evaluate the adequacy of internal controls over desktop and laptop computers; and 2) evaluate the procedures in place to ensure that computer equipment having an acquisition cost over \$5,000 is capitalized and computer equipment with unit costs under \$5,000 are supported.

The audit was designed to address the adequacy of the FEC's management of desktop and laptop computers and the accuracy and reliability of inventory listings which are used by the FEC to assess needs, support procurement action and manage and service the equipment. The

Audit Follow-up (continued)

audit also included a review of the adequacy of internal procedures used to identify and capitalize automated data processing (ADP) equipment. Manual or automated accounting procedures must ensure that all equipment with an acquisition cost over \$5,000 must be capitalized and reported to the U.S. Department of Treasury. Equipment under \$5,000 is expensed and reported as such to Treasury.

The audit included two recommendations to improve the management of ADP equipment. First, the OIG recommended that divisions take an annual physical inventory of laptop computers and forward the results to the Data Systems Development Division (DSDD) to be reconciled with the DSDD's inventory database. The OIG recommended that the DSDD be responsible for documenting the results of the inventory on an annual basis. Second, the OIG recommended that written policies and procedures be established for the accountability and control of personal computer property. The OIG recommended that the policies and procedures be disseminated to all agency personnel engaged in personal property management functions and that appropriate policies, procedures, and training be provided to involved personnel.

Audit Follow-up (continued)

In an audit follow-up conducted last reporting period, the OIG concluded that the laptop computer inventory list documented by the DSDD did not include all Commission laptops. The DSDD neglected to include in the inventory list Commission owned laptops which had been retired and placed in storage rooms. Therefore, the OIG was unable to close that recommendation.

The audit follow-up work during this period consisted of the inspection of documents and computer equipment by the OIG. Several meetings with management were necessary to ascertain if corrective action to resolve the audit recommendations had been taken.

The OIG contacted the DSDD to determine whether an inventory of laptop computers had been completed. After reviewing the inventory list provided by DSDD, the OIG discovered the list was incomplete. After discussion, the DSDD provided the OIG with a revised inventory list which, after review, the OIG confirmed that DSDD had satisfactorily implemented the recommendation.

Audit Follow-up (continued)

The OIG also contacted DSDD to determine whether or not revised written procedures were provided to management with guidance on lost, stolen, and obsolete computer equipment. The DSDD provided the OIG with documentation which incorporated the necessary procedures. The OIG believes the policies and procedures provided important guidance on the management and accountability of computer equipment, resulting in this recommendation being closed.

The OIG found that the DSDD implemented the recommendations by conducting a physical inventory of laptop computers and issuing written policies and procedures on the management of desktop and laptop computers to division heads resulting in the closing of the two audit recommendations contained in the original audit report.

Audit Follow-up (continued)

TITLE: ***Audit of the Review of the Commission's Employee Appraisal Process***

ASSIGNMENT # **97-02**

RELEASE DATE: **January 1998**
(audit report)

PURPOSE: During this reporting period, the OIG continued to follow-up on the status of the recommendations contained in the original audit report to address weaknesses in the Commission's employee appraisal process. The primary objectives of our audit were to 1) determine whether the Commission's employee appraisal process was in compliance with applicable Federal regulations and Commission Personnel Instructions; and 2) determine whether the Commission's monetary incentive process was in compliance with applicable Federal regulations and Commission Personnel Instructions.

The audit addressed compliance with the Commission's Personnel Instructions and Federal regulations as they related to the employee appraisal process. The audit included a review of employee performance folders and performance plans. In addition, the audit included a review of performance and incentive awards to verify that the awards were granted in accordance with Commission policy and Federal regulations and processed in

Audit Follow-up (continued)

a timely manner. Four recommendations were made in the report to correct the weaknesses found in the Commission's performance appraisal process.

The OIG conducted the first follow-up in March of 1999. The OIG reviewed personnel documents and interviewed Personnel Office staff to determine whether management had implemented the four recommendations contained in the original audit report. The OIG concluded that although some action had been taken to correct the weaknesses identified by the OIG, the actions were not sufficient enough to resolve the audit findings.

A second follow-up was conducted in September of 1999, and the OIG concluded that management had implemented the recommendation dealing with the retention of employee performance documents . That recommendation was closed. However, the OIG concluded that management had not adequately resolved the three outstanding recommendations.

The OIG's most recent follow-up review has resulted in the closure of two more recommendations. The OIG found that the Personnel Office developed a system to track the timeliness of appraisals, which includes a notification process to alert management of late appraisals. In addition, the

Audit Follow-up (continued)

Personnel Office developed procedures to ensure reviewing officials review employee appraisals before the appraisal is issued to the employee.

The OIG recognizes that the Personnel Office is beginning to address the deficient performance standards. Performance standards or plans are used to evaluate employees on an annual basis. The standards contain both critical and non-critical job elements and should include at least two expectation levels. In order to close this recommendation, the Personnel Office should ensure employee performance standards are written in accordance with the CFR and Commission policy. To correct the performance standards, we believe a Commission-wide effort is necessary, requiring the participation of Commission supervisors with guidance and oversight provided by the Personnel Office.

This recommendation will remain open. We will continue to monitor the progress of the Personnel Office's actions to address this outstanding recommendation.

INVESTIGATIONS

No new investigations were opened during this reporting period.

ADDITIONAL OFFICE OF INSPECTOR GENERAL ACTIVITY

All legislation, as compiled by the Commission's Congressional Affairs Office, was reviewed by the Inspector General, as required by the Inspector General Act of 1978, as amended. The Inspector General also routinely reads all Commission agenda items and attends Finance Committee Meetings.

During this reporting period, the OIG participated in a project in which input was provided on the redesign of the FEC's Web site. The primary purpose of the Web site is to provide information and material in an efficient and convenient manner to the general public, candidates, and the media. The FEC's Web site is used by the OIG to post copies of our audit reports and semiannual reports to Congress.

The OIG recently reviewed and commented on a draft publication written by the FEC's Public Disclosure Division titled *Federal Campaign Finance Reports Online: A Guide to using the FEC Web Site*. The guide is intended to be used by state offices which participate in the State Waiver Program to assist users in the navigation of the Web site and retrieval of information.

A draft version of the Commission's invitation policy was also reviewed to ensure that the policy is consistent with appropriate laws and regulations. The policy was additionally reviewed for efficiency and effectiveness.

As an ongoing project, the Special Assistant to the Inspector General performed three unannounced cash counts of the FEC's imprest fund (OIG-99-04, OIG-00-02, and OIG-00-04). The imprest fund consists of three drawers totaling \$2,500. The results of the cash counts revealed no overage or underage and all cash was accounted for. Our reviews revealed that cash disbursements from the imprest fund were reasonable and consistent with FEC imprest fund policy.

ECIE AND PCIE ACTIVITY

The Executive Council on Integrity and Efficiency was established by Executive Order on May 11, 1992. It consists of Designated Federal Entity Inspectors General and representatives of the Office of Government Ethics, the Office of Special Counsel, the Federal Bureau of Investigation and the Office of Management and Budget.

The Inspector General (or staff) attending the following training, programs and/or conferences during this reporting period:

- ECIE - *Monthly Meetings*
- PCIE - *Professional Development Forum - Electronic Commerce in Government*
- PCIE/ECIE - *Joint Annual Meeting*
- PCIE/ECIE - *Retreat 2000 - The Evolving Role of the Inspector General in the New Millennium*
- Institute of Internal Auditors - *Windows NT, Managing and Controlling your Risks*
- Association of Government Accountants - *Annual Federal Leadership Conference: Welcome to the New Millennium*
- Inspector General Auditor Training Institute - *Fraud Auditing: Theory and Application*
- Institute of Internal Auditors - *20th Annual Internal Auditing in Government Conference*

- Information Systems Audit & Control Association - *Penetration Testing: Accounting & Auditing*
- USDA Graduate School - *Federal Government Accounting I*
- Small Agency Council - *Leading the Organization*
- Federal Audit Executive Council - *Welcome to the 21st Century*
- *Association of Directors of Investigation Conference*
- *OIG Webmasters Meeting*
- *FEC Law Manager Training*

IG ACT	REPORTING REQUIREMENTS	PAGE
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Reporting requirements required by the Inspector General Act of 1978, as amended by the Inspector General Act Amendments of 1988 are listed below:

Section 4(a)(2)	Review of Legislation-----	26
Section 5(a)(1)	Significant Problems, Abuses, and Deficiencies-----	None
Section 5(a)(2)	Recommendations with Respect to Significant Problems, Abuses, and Deficiencies-----	None
Section 5(a)(3)	Recommendations Included in Previous Reports on Which Corrective Action Has Not Been Completed-----	33
Section 5(a)(4)	Matters Referred to Prosecutive Authorities-----	None
Section 5(a)(5)	Summary of Instances Where Information was Refused-----	None
Section 5(a)(6)	List of Audit Reports-----	10
Section 5(a)(7)	Summary of Significant Reports-----	10
Section 5(a)(8)	Questioned and Unsupported Costs-----	31
Section 5(a)(9)	Recommendations that Funds be put to Better Use-----	32
Section 5(a)(10)	Summary of Audit Reports issued before the start of the Reporting Period for which no Management Decision has been made-----	N/A
Section 5(a)(11)	Significant revised Management Decisions-----	N/A
Section 5(a)(12)	Management Decisions with which the Inspector General is in Disagreement-----	None

<p align="center">TABLE I</p> <p align="center">INSPECTOR GENERAL ISSUED REPORTS WITH QUESTIONED COSTS</p>
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	NUMBER	DOLLAR VALUE (in thousands)	
		QUESTIONED COSTS	UNSUPPORTED COSTS
A. For which no management decision has been made by commencement of the reporting period	0	0	[0]
B. Which were issued during the reporting period	0	0	[0]
Sub-Totals (A&B)	0	0	[0]
C. For which a management decision was made during the reporting period	0	0	[0]
(i) Dollar value of disallowed costs	0	0	[0]
(ii) Dollar value of costs not disallowed	0	0	[0]
D. For which no management decision has been made by the end of the reporting period	0	0	[0]
E. Reports for which no management decision was made within six months of issuance	0	0	[0]

TABLE II

**INSPECTOR GENERAL ISSUED REPORTS WITH
RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE**

	NUMBER	DOLLAR VALUE (in thousands)
A. For which no management decision has been made by the commencement of the reporting period	0	0
B. Which were issued during the reporting period	0	0
C. For which a management decision was made during the reporting period	0	0
(i) dollar value of recommendations were agreed to by management	0	0
based on proposed management action	0	0
based on proposed legislative action	0	0
(ii) dollar value of recommendations that were not agreed to by management	0	0
D. For which no management decision has been made by the end of the reporting period	0	0
E. Reports for which no management decision was made within six months of issuance	0	0

TABLE III**SUMMARY OF AUDIT REPORTS WITH CORRECTIVE ACTIONS
OUTSTANDING FOR MORE THAN SIX MONTHS****Recommendations**

<u>Audit Report Number</u>	<u>Report Issue Date</u>	<u>Management Response Date</u>	<u>Number</u>	<u>Closed</u>	<u>Open</u>
97-02	01/98	01/98	4	3	1
97-03	01/98	03/98	2	2	0
98-05	03/99	03/99	3	3	0
98-08	05/99	04/99	9	3	6

FEC / OIG Strategic Plan

OIG Products: To provide products and services that promote positive change in FEC policies, programs, and operations.

Objective A: Deliver timely, high-quality products and services that promote positive change.

Strategy:

- establish common OIG standards for communicating results;
- conduct quality assurance programs;
- solicit appropriate internal and external review and comment;
- comply with applicable statutory guidelines and standards;
- set realistic and appropriate milestones.

Objective B: Address priority issues and concerns of the Commission, Congress, and Management.

- Strategy:** Perform work that supports;
- Federal Election Commission and Congressional priorities;
 - National Performance Review objectives;
 - Strategic Management Initiative efforts;

Focus OIG attention in the following areas of emphasis:

- managing change;
- resource allocation in relation to policy objectives;
- delivery of client service;
- causes of fraud and inefficiency; and,
- automation and communication.

Objective C: Follow-up and evaluate results of OIG products and services to assess their effectiveness in promoting positive change.

Strategy:

- Identify, as appropriate, lessons learned to improve timeliness and quality; and,
- conduct follow-up reviews to determine if intended results have been achieved.

Objective D: Satisfy customers, consistent with the independent nature of the OIG.

Strategy:

- establish professional communication and interaction with customers to promote the open exchange of ideas;
- incorporate customer feedback, as appropriate; and,
- be open to customer-generated solutions and options.

Performance Measures: Determine the timeliness and quality of products and services; their effectiveness in promoting positive change; and, reach agreement with management on at least 90% of recommendations within six months of the report issue date.

OIG Process: To develop and implement processes, policies, and procedures to ensure the most effective and appropriate use of OIG resources in support of our people and products.

Objective A: Maintain a dynamic strategic planning process.

Strategy:

- periodically review and update the strategic plan to address changing OIG and FEC priorities; and,
- identify factors that influence organizational change and develop short and long term plans to address them.

Objective B: Plan and conduct cost-effective work that address critical issues and results in positive change.

Strategy:

- solicit FEC and Congressional input in planning OIG activities;
- develop internal planning mechanisms to support FEC goals and priorities;
- ensure that priorities of IG are effectively communicated; and,
- identify specific targets for OIG review that are the most cost-effective

Objective C: Identify customer needs and provide products and services to meet them.

Strategy:

- establish new customer feed back mechanisms;
- consider and evaluate customers feedback when planning and developing products and services;
- respond to Congressional inquiries and request for briefing and testimony;
- promote open exchange of ideas and information through outreach and through use of e-mail; and,
- receive, evaluate, and respond, as appropriate, to information received through the OIG hotline and other sources.

Objective D: Implement efficient, effective, and consistent resolution and follow-up procedures.

Strategy:

- ensure that IG follow-up procedures are followed and that management is aware of their role in the process; and,
- establish common OIG standards for terminology, date maintenance and communications.

Objective E: Establish a positive and productive working environment.

Strategy:

- reengineer or streamline OIG procedures to achieve the most effective use of resources; and,
- ensure that necessary technologies, evolving and otherwise, are made available to staff as needed.

Performance Measures: An annual audit plan is issued; strategic plan is periodically reviewed; and, necessary technology is provided to staff to enable them to most efficiently perform their duties.

OIG Staff: To maintain a skilled and motivated work force in an environment that fosters accountability, communications, teamwork, and personal and professional growth.

Objective A: Attract and retain well-qualified, diverse and motivated employees.

Strategy:

- develop and implement a comprehensive recruiting program that attracts a broad population with the knowledge, skills, abilities, and expertise necessary to make meaningful contributions to the OIG;
- assess employee satisfaction and develop strategies to address employee concerns;
- identify reasons for staff departures and develop plans to foster greater staff retention; and,
- adhere to EEO principles and strive to maintain a diverse work force.

Objective B: Provide training and developmental opportunities to employees.

Strategy:

- assess training needs in relation not only to employee but also office needs as well;
- ensure that Government Auditing Standards in relation to training are adhered to; and,
- maintain a reporting system to ensure that educational requirements are met.

Objective C: Assess, recognize, and reward, when possible, performance that contributes to achieving the OIG mission.

Strategy:

- develop and articulate expectations for each employee's performance, including contributions in meeting the mission & goals of the OIG; and,
- ensure that rewards, when possible, are given in recognition of exceptional employee performance.

Objective D: Create and maintain a working environment that promotes teamwork and effective communication.

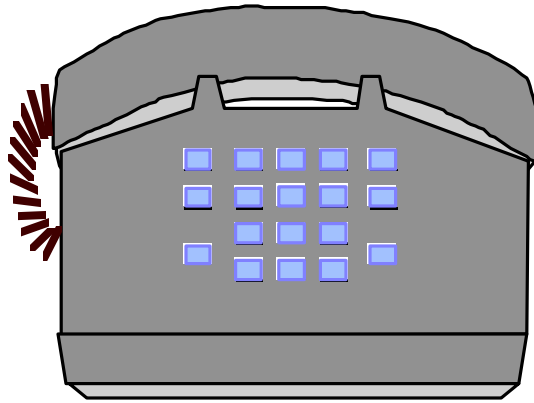
Strategy:

- ensure that communications between employees is open; and,
- provide employees with the tools and incentives they need to adequately perform their duties.

Performance Measures: All employees meet the training requirements; all employees have performance standards; and, all employees meet the basic requirements for the position in which they were hired to perform.

YOU CAN HELP

REPORT: FRAUD, WASTE OR MISMANAGEMENT



**202-694-1015
OR TOLL FREE
1-800-424-9530**

- INFORMATION IS CONFIDENTIAL**
- CALLER CAN REMAIN ANONYMOUS**

OR

WRITE THE OFFICE OF INSPECTOR GENERAL

**FEDERAL ELECTION COMMISSION
999 E STREET, N.W., SUITE 940
WASHINGTON, D.C. 20463**